(c) As per CAG report, the estimated amount of loss is Rs. 124.02 Lakh ($ 3,14,080.72)

Revision of Coal Royalty within a Time Frame

2834. DR. DASARI NARAYANA RAO: Will the Minister of COAL AND MINES be pleased to state:

(a) whether it is a fact that there is no specific time frame within which Government is expected to revise the rates of royalty on Coal due to which States where Coal is produced have to suffer;

(b) if so, the reasons therefor;

(c) when the royalty rates on coal were last revised; and

(d) what remedial measures Government propose to take to make it mandatory to revise the royalty on coal within a time frame?

THE MINISTER OF STATE IN THE MINISTRY OF COAL AND MINES (SHRI RAVI SHANKAR PRASAD): (a) and (b) Royalty on minerals including coal is payable under Section 9(1) of the Mines and Minerals (Development & Regulation) Act, 1957 by the holder of a mining lease. Section 9(3) of the MMDR Act, 1957 empowers the Central Government to enhance or reduce the royalty rates in respect of any mineral by notification in the Official Gazette with effect from such date as may be notified. The proviso to Section 9(3) of the Act prevents the Central Government from enhancing the rate of royalty in respect of any mineral more than once during any period of three years.

(c) The royalty rates on coal were last revised on 16.8.2002.

(d) The Central Government endeavours to revise the royalty rates on coal every 3 years. However, factors like increase in income of the producing states with increase in production, their demand for further increase, the capacity of the major coal consuming sectors like power, iron & steel & cement etc. to bear the increase, competition from imported coal, financial health of the Government coal companies and the overall impact on the economy are taken into account while deciding the quantum and timing of revision in royalty rates.